



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 18, 2014

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From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains Pursuits of County Positions on the following legislation:

- **AB 1454 (Ian Calderon).** This measure would require community care facilities to be subject to an annual unannounced visit by the California Department of Social Services (CDSS), instead of at least once every five years as required under current law. Therefore, unless otherwise directed by the Board, consistent with the adopted motion of January 14, 2014 to support and seek legislation that will enhance State monitoring of foster family agencies, group homes and State-licensed foster homes, and with existing policy to support efforts to ensure the health and safety of all children cared for in licensed early care and education facilities as afforded by timely, regular, and frequent on-site monitoring by CDSS, **the Sacramento advocates will support AB 1454.**
- **AB 2703 (Quirk-Silva).** This measure would require the California Department of Veterans Affairs, no later than July 1, 2015, to develop an allocation formula based upon performance to encourage innovation and reward outstanding service by county veterans service officers (CVSOs) and would appropriate \$6.0 million from the State General Fund for specified disbursement to counties to fund the activities of CVSOs. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that provide essential assistance to those who have honorably served in our armed forces, **the Sacramento advocates will support AB 2703.**

*"To Enrich Lives Through Effective And Caring Service"*

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- **AB 2732 (Committee on Insurance).** This measure would amend recent workers' compensation reform law to require that employers, and not the State, reimburse claimants for lien fees when awarded as part of a lien resolution. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose legislation that erodes reforms accomplished by FY 2011-12 workers' compensation reform legislation, **the Sacramento advocates will oppose AB 2732.**
- **SB 1054 (Steinberg).** This measure would appropriate \$50.0 million from the State General Fund in FY 2014-15 for Mentally Ill Offender Crime Reduction (MIOCR) grants. The grants would be awarded on a competitive basis to counties that implement projects designed to reduce recidivism for adult and juvenile offenders with mental illness. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to increase funding for prevention, diversion, housing and intervention services for mentally ill adults and delinquent and/or emotionally disturbed minors to divert them from the criminal justice system, **the Sacramento advocates will support SB 1054.**

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### **Pursuit of County Position on Legislation**

**AB 1454 (Ian Calderon),** which as amended on March 17, 2014, would require community care facilities to be subject to an annual unannounced visit by the California Department of Social Services (CDSS), and require CDSS to conduct more frequent unannounced visits under certain circumstances, including when the licensee is on probation, an accusation against a licensee is pending, and to verify that a person who has been ordered out by CDSS is no longer at the facility, among other provisions.

Under existing law, the California Department of Social Services regulates the licensure and operation of community care facilities, residential care facilities for the elderly, child day care centers, and family day care homes. Current law requires that these facilities be subject to unannounced visits by CDSS that occur at least once every five years. Additionally, existing law requires CDSS to conduct an annual unannounced visit under specified circumstances, including when a license is on probation.

According to the author of AB 1454, this measure would require annual unannounced visits using the key indicator inspection protocol which is considered to be a faster, effective inspection and includes a complete walk-through of the facility and a focus on previously identified key health and safety risk indicators to predict the overall propensity for compliance. If a community care facility is found to be out of compliance

with key indicators, a comprehensive inspection is initiated. The author notes that annual unannounced visits are fundamental in protecting the health and safety of children and adults receiving care through facility or home-based care.

The Department of Children and Family Services, the Department of Community and Senior Services, and the Office of Child Care indicate that AB 1454 would have a positive impact on the clients and residents of residential care facilities for children and the elderly, and for child care programs, as the frequency of on-site visits by the State would strengthen State monitoring efforts and foster compliance with license provisions and regulations for the safety and well-being of client and residents.

This office and the Departments of Children and Family Services and Community and Senior Services support AB 1454. Therefore, unless otherwise instructed by the Board, consistent with the adopted motion of January 14, 2014 to support and seek legislation that will enhance State monitoring of foster family agencies, group homes and State-licensed foster homes, and with existing policy to support efforts to ensure the health and safety of all children cared for in licensed early care and education facilities as afforded by timely, regular, and frequent on-site monitoring by CDSS, **the Sacramento advocates will support AB 1454.**

AB 1454 is supported by the California Assisted Living Association, the California Child Care Resource and Referral Network, and the County Welfare Directors Association, among others. There is no known opposition to this measure at this time.

AB 1454 is scheduled for a hearing in the Assembly Human Services Committee on March 25, 2014.

**AB 2703 (Quirk-Silva)**, which as introduced on February 21, 2014, would require the California Department of Veterans Affairs, no later than July 1, 2015, to develop an allocation formula based upon performance to encourage innovation and reward outstanding service by county veterans service officers (CVSOs) and would appropriate \$6.0 million from the State General Fund for specified disbursement to counties to fund the activities of CVSOs.

County veterans service officers are the initial local point of contact for veterans and claimants accessing the United States Department of Veterans Affairs. Currently, the cost to maintain the CVSOs is shared between the State and counties, with the State share supporting approximately 16 percent of the costs of the CVSOs and counties covering the remainder. SB 608 (Chapter 318, Statutes of 1997), signed into law by Governor Wilson, requires the Department of Finance to consider an increase in the annual budget for the CVSOs of up to \$5.0 million, if approved in

the yearly budget process. SB 419 (Chapter 183, Statutes of 2009), signed by Governor Schwarzenegger, increased that amount to \$11.0 million, again contingent on approval in the annual budget process.

Between 1995 and 2011, the State cumulatively budgeted \$36.2 million for its share of the cost of the CVSOs. During this same time period, CVSOs leveraged approximately \$3.3 billion in Federal monetary benefits for veterans and their dependents. However, the State has never reached the allowable State budget allocation of \$5.0 million set in 1997. Prior to FY 2013-14, the CVSOs had not received more than \$2.6 million annually from the State. For FY 2013-14, the State allocated \$3.0 million statewide for CVSO activities.

As introduced, AB 2703 would direct the California Department of Veterans Affairs to develop by July 1, 2015 a performance-based allocation formula to encourage innovation and reward outstanding service by CVSOs. The measure would also appropriate \$6.0 million, authorized by SB 608 of 1997, to the California Department of Veterans Affairs to allocate to counties to fund CVSO activities and services as follows: 1) \$5.6 million for disbursement to counties to fund the activities of CVSOs; and 2) \$400,000 for disbursement to counties based on the performance-based formula developed by the department.

According to the Department of Military and Veterans Affairs, an estimated 400,000 veterans, active duty military and their families live in Los Angeles County which is home to the largest and growing population of female veterans, veterans who are or have been incarcerated, and those returning from Afghanistan. Currently, the County receives approximately \$177,000 annually in State funding to support CVSO services. Under AB 2703, this funding would almost double. This increase would significantly assist the County in meeting the needs of current and returning veterans, especially those under- and un-served veterans and their dependents who are not aware of the Federal benefits available to them.

Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that provide essential assistance to those who have honorably served in our armed forces, **the Sacramento advocates will support AB 2703.**

AB 2703 is similar to **County-supported SB 296 (Correa) of 2013** which would have appropriated \$5.0 million from the State General Fund to the California Department of Veterans Affairs for disbursement to counties to fund county veterans service officers. SB 296 was placed on the Senate Appropriations suspense file on May 6, 2013 and did not proceed.

AB 2703 has been referred to the Assembly Veterans Affairs Committee. A hearing date has not been scheduled.

**AB 2732 (Committee on Insurance)**, which as introduced on February 25, 2014, would amend the lien provisions of the workers' compensation system reforms enacted in SB 863 (Chapter 363, Statutes of 2012), including amending lien provisions to require employers to reimburse lien claimants for fees that were paid to the State by the claimant, among others.

SB 863 of 2012 was intended to reform the workers' compensation system by streamlining administrative, legal and medical processes in order to alleviate financial and operational burdens to employers, and to fund increases to permanent disability benefits. Under existing law, and under certain conditions, a lien claimant in a workers' compensation matter is entitled to an award for reimbursement of a lien filing fee, together with interest at the rate allowed on civil judgments. AB 2732 would require that employers, and not the State, reimburse lien claimants for lien fees when awarded as part of a lien resolution.

The Chief Executive Office Risk Management Branch (CEO-RMB) indicates that SB 863 of 2012 was developed by the Administration, labor and employers to create a comprehensive, revenue-neutral reform and benefit increase package. These reforms included establishing a time limit for filing a lien and establishing a \$150 filing fee for liens, in an attempt to address the estimated 800,000 liens encumbering the workers' compensation system. CEO-RMB notes that under current law, the State is required to reimburse these fees if the State's Workers' Compensation Appeals Board awards the claimant a fee reimbursement as part of the lien resolution.

As introduced, AB 2732 would instead require employers to reimburse these fees. This would allow the State to keep the fees as an additional revenue source, and conversely, increase costs to employers, including counties. CEO-RMB indicates that this would produce higher settlement values for lien claimants, essentially hindering reform efforts to curtail unwarranted liens. Finally, CEO-RMB reports that AB 2732 attempts to clarify that the SB 863 lien provisions are not retroactive, but that it is not yet clear that clarifications are needed. CEO-RMB indicates that making changes to the lien language is premature as the language has yet to be fully implemented and related litigation is pending. County Counsel concurs with CEO RMB's concerns regarding AB 2732.

This office recommends an oppose position on AB 2732. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose legislation that erodes reforms accomplished by FY 2011-12 workers' compensation reform legislation and oppose legislation that increases workers' compensation benefits unless it maintains a

fair and equitable balance for employers and employees within the reforms previously adopted by the Legislature, **the Sacramento advocates will oppose AB 2732.**

AB 2732 has been referred to the Assembly Insurance Committee. A hearing date has not been scheduled.

**SB 1054 (Steinberg)**, which as introduced on February 18, 2014, would appropriate \$50.0 million from the State General Fund in FY 2014-15 for Mentally Ill Offender Crime Reduction (MIOCR) grants. The grants would be awarded on a competitive basis to counties that implement projects designed to reduce recidivism for adult and juvenile offenders with mental illness.

The Mentally Ill Offender Crime Reduction grants were established in SB 1485 (Chapter 501, Statutes of 1998) to provide resources to counties that developed and implemented a comprehensive, cost-effective plan to reduce the rate of crime and offenses committed by persons with serious mental illness, as well as, reduce jail overcrowding and local criminal justice costs related to mentally ill offenders.

Los Angeles was among 26 counties throughout the State that received MIOCR funds. The County used these funds to implement two programs which were administered by the Departments of Mental Health and Probation, and the Sheriff's Department. The Community Reintegration of Mentally Ill Offenders program provided intensive case management services for jail inmates who were at risk of homelessness and with a co-occurring diagnosis of substance abuse. Upon community release, participants received mental health care, substance abuse treatment, housing, transportation, education, employment services, assistance in obtaining benefits, and other services. The Momentum Forward Program provided in-custody, discharge and post-release services for incarcerated mothers with co-occurring disorders.

In 2005, as required under SB 1485, the California Board of Corrections completed a statewide analysis of the MIOCR grants using data collected by counties. The analysis found that the enhanced treatment and support services offered through the MIOCR grants generally resulted in positive outcomes. Program participants were booked less often, and reconvicted less often for less serious offenses, than those receiving treatment as usual. However, the MIOCR grants were eliminated in FY 2008-09 when the State faced a \$42.0 billion budget shortfall.

SB 1054 would appropriate \$50.0 million from the State General Fund in FY 2014-15 to reinstate Mentally Ill Offender Crime Reduction grants. The grants would be administered and awarded by the Board of State and Community Corrections on a competitive basis, for four years, to counties that implement projects designed to reduce recidivism for adult and juvenile offenders with mental illness. Half of the total

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appropriation would be used for grants aimed at adult offenders and half would be available for grants focused on juvenile offenders.

To be eligible for a grant, a county would be required to establish a strategic committee comprised of, at a minimum: the sheriff; chief probation officer; county mental health director; a superior court judge; representatives from local law enforcement agencies and mental health provider organizations; a client from a mental health treatment facility; and representatives from organizations that can provide, or have provided, income, housing, and caretaking services for persons with mental illnesses. The strategic committee would be required to develop a comprehensive, cost-effective plan to provide preventive and intervention services for mentally ill offenders. Counties receiving MIOCR grants would be required to collect common data elements on the target population, the services received and the effects of the various interventions on curbing recidivism, and to provide a county-match of at least 25 percent of the grant amount.

The Department of Mental Health (DMH) notes that various studies have found that as many as 25 percent of inmates in large urban county jails are either mentally ill or are at risk for needing psychiatric services. According to DMH, further studies indicate that the mentally ill are more likely to be homeless, abuse substances and be resistant to treatment. DMH reports that SB 1054 would reinstate the MIOCR funding and would allow the County to resume targeted services designed to reduce recidivism for mentally ill adult offenders and to expand these services to juvenile offenders with mental illnesses.

This office and the Department of Mental Health support SB 1054. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to increase funding for prevention, diversion, housing and intervention services for mentally ill adults and delinquent and/or emotionally disturbed minors to divert them from the criminal justice system, **the Sacramento advocates will support SB 1054.**

SB 1054 is supported by the California State Association of Counties. There is no opposition on file. This measure is scheduled for a hearing in the Senate Public Safety Committee on April 22, 2014.

We will continue to keep you advised.

WTF:RA  
MR:VE:IGEA:ma

c: All Department Heads  
Legislative Strategist